

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matters of)	
)	
The Connect America Fund)	WC Docket No. 10-90
)	
National Broadband Plan for Our Future)	GN Docket No. 09-51
)	
Establishing Just and Reasonable Rates for Local Exchange Carriers)	WC Docket No. 07-135
)	
High-Cost Universal Service Support)	WC Docket No. 05-337
)	
Developing a Unified Intercarrier Compensation Regime)	CC Docket No. 01-92
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link-Up)	WC Docket No. 03-109

REPLY COMMENTS OF NORTHERN TELEPHONE & DATA CORPORATION

Northern Telephone & Data Corporation (“NTD”) hereby submits its reply to the various comments submitted in response to the Further Inquiry into Certain Issues in the Universal Service-Intercarrier Compensation Transformation Proceeding (“Further Inquiry”) released by the Federal Communications Commission (“Commission”) on August 3, 2011. NTD limits its reply comments to one aspect of intercarrier compensation reform—the impacts of intrastate access reductions as proposed in the ABC Plan (“ILEC Plan”).

Upon review of the comments submitted in response to the Further Inquiry, it is incumbent upon NTD—for its own survival—to provide the Commission with a real-life perspective on the impact of the ILEC Plan on small competitive local exchange carriers

(“CLECs”) such as NTD. Established almost 20 years ago, NTD is a small, homegrown CLEC in Oshkosh, Wisconsin with less than 25 employees. With fewer than 10,000 access lines, our net income in 2010 was approximately just \$50,000. With such a thin margin, radical reductions in any one revenue stream to our company would lead to its ready demise.

Simply put, the ILEC Plan would put our company out of business. NTD cannot survive any proposal that would require lowering intrastate access rates to interstate levels by July 1, 2013.¹ CLECs cannot immediately recover their lost access revenues due to the long-term contracts they have with customers.² NTD is no different. A much longer transition period is required. NTD endorses the views expressed in the comments of Cbeyond, Integra Telecom, and tw telecom that an adequate transition period for competitors should be no less than the period afforded local exchange carriers that receive funding under the ABC ARM plan.³

The Wisconsin Legislature recently enacted 2011 Wisconsin Act 22 (“Act 22”) which further deregulated our state’s telecommunications industry. In contrast to the ILEC Plan, it approached intercarrier compensation reform carefully. Under Act 22, for CLECs with more than 10,000 access lines, intrastate access rates must be lowered to interstate levels over a period of six years, with the first reductions occurring only after the fourth year into the transition.⁴ The Commission should exercise similar restraint when setting timeframes for intrastate access rate reductions. As proposed, the ABC plan would be a job killer across the country in this already difficult economy.

¹ See Letter from Robert W. Quinn, Jr., AT&T, Steve Davis, CenturyLink, Michael T. Skrivan, FairPoint, Kathleen Q. Abernathy, Frontier, Kathleen Grillo, Verizon, and Michael D. Rhoda, Windstream, to Marlene H. Dortch, FCC, WC Docket No. 10-90 et al. (filed July 29, 2011) (“ABC Plan”), Attachment 1, at 11.

² See Comments of Cbeyond, Inc., Integra Telecom, Inc., and tw telecom inc., WC Docket No. 10-90 et al. (filed August 24, 2011), at 5-6.

³ *Id.*

⁴ See 2011 Wis. Act 22, Sec. 77, creating Wis. Stat. § 196.212(2)(b). Additionally, for three years from its effective date, the new law bars the Public Service Commission of Wisconsin from lowering intrastate access rates for CLECs with fewer than 10,000 access lines. *Id.*, creating Wis. Stat. § 196.212(4)(c).

The comments of the Public Service Commission of Wisconsin (“PSCW”), in apparent support of the ILEC Plan, are disappointing, especially for their lack of consideration for CLEC impacts. In fact, the PSCW notes that “industry support for a proposal is important,” but then it inconsistently dismisses industry opposition to the ABC proposal, endorsing the view that the Commission should disregard impacts to particular companies in favor of “consumer welfare.”⁵ Such a view fails to recognize that **without competitors, consumer welfare is harmed**. NTD submits that the proposed timetable for intrastate access rate reductions in the ILEC Plan will harm consumer welfare because it will reduce the number of competitors that can provide a check on ILEC prices, thereby reducing market competition.

CONCLUSION

For the reasons stated above and in the comments of Cbeyond, Integra Telecom, and tw telecom, NTD urges the Commission to either reject the ILEC Plan or reform it to prevent rash and needless reductions in intrastate access rates.

Dated this 31st day of August, 2011.

Respectfully submitted,

NORTHERN TELEPHONE & DATA CORP.

/s/ William Miller

By: _____

William Miller
President

300 N. Koeller
Oshkosh, WI 54902
Phone: (920) 426-9192
Facsimile: (920) 426-3075
E-mail: wmiller@ntd.net

⁵ Comments of the PSCW, WC Docket No. 10-90 et al. (filed August 24, 2011), at 3.